



CSCT

FAQs

Released January 21, 2022

**The Following FAQ has been reviewed by OPI Chief legal and MTSBA legal. This FAQ will be updated as necessary to address additional issues/questions posed by school districts and/or updates from OPI or DPHHS.**

**1. Question: Who or what is the Medicaid-enrolled provider?**

*The school is the Medicaid-enrolled provider defined in Montana's State Plan Amendment (SPA). While the school may have a separate subcontract with a provider to deliver the CSCT service, the SPA governs the payment from DPHHS to the school. (Source: DPHHS Director, Adam Meier, 7.23.2021 email)*

**2. Question: What options exist for meeting the State Share of public funds for federal financial participation?**

*The Social Security Act §1903 and CFR §433.51 Public Funds as the State share of financial participation part b identifies two options transfer of funds from other public agencies (IGT) or certified expenditures. These same two options also appear in the macpac.gov document referenced in answer number 2.*

*(a) Public Funds may be considered as the State's share in claiming FFP if they meet the conditions specified in paragraphs (b) and (c) of this section.*

*(b) The public funds are appropriated directly to the State or local Medicaid agency or are **transferred from other public agencies** (including Indian tribes) to the State or local agency and under its administrative control or **certified by the contributing public agency as representing expenditures eligible for FFP under this section.***

*(c) The public funds are not Federal funds, or are Federal funds authorized by Federal law to be used to match other Federal funds.*

**3. Question: Where is the authority for states to use an Intergovernmental Transfer process found?**

*The ability of states to use IGTs to finance their Medicaid programs is recognized in both federal statute and regulation (§1903(w)(6) of the Social Security Act; 42 CFR 433.51). As a separate resource, please see [macpac.gov](http://macpac.gov) for a summary from Medicaid. (Source: DPHHS Director, Adam Meier, 7.23.2021 email)*

**4. Question: Is the Medicaid reimbursement model a cost-sharing model?**

*Confirming our conversation on 8/5/2021, yes, CMS provides payments to states, on the basis of a federal medical assistance percentage (FMAP) for part of their expenditures under an approved state*

plan as allowed in Sections 1903(a)(1), 1903(g), and 1905(b) of the Social Security Act. (Source: Meghan Peel, DPHHS, email 8/10/2021)

A Medicaid and CHIP state plan is an agreement between a state and the Federal government describing how that state administers its Medicaid and CHIP programs. **It gives an assurance that a state will abide by Federal rules and may claim Federal matching funds for its program activities.** The state plan sets out groups of individuals to be covered, services to be provided, **methodologies for providers to be reimbursed** and the administrative activities that are underway in the state.

When a state is planning to make a change to its program policies or operational approach, states send state plan amendments (SPAs) to the Centers for Medicare & Medicaid Services (CMS) for review and approval. States also submit SPAs to request permissible program changes, make corrections, or update their Medicaid or CHIP state plan with new information.

- <https://www.medicare.gov/medicaid/medicaid-state-plan-amendments/index.html>

##### **5. Question: Can districts simply recycle their original state match, and use those same funds over and over for the State match?**

The OPI has consistently communicated that this would not be allowable, despite varying views from DPHHS. DPHHS, Director Adam Meier, in a January 7, 2022, meeting with the OPI indicated that their outside legal counsel did not yet have any legal documentation from CMS, that the recycling of funds is allowable. It was indicated it may take several months to get a response from CMS, so for the interim, we will use the language that OPI has provided, that it is not allowable, until we have clear written evidence from CMS to the contrary. The Comprehensive Medicaid Integrity Plan for FY2019 – 2023 indicates CMS' plan for possible enhanced scrutiny of the processes.

“CMS provides states with guidance to use in meeting statutory and regulatory requirements, technical assistance including tools and data, federal matching funds for their expenditures, and other resources. States fund their share of the program, and, within federal and state guidelines, operate their individual programs through activities including setting rates, paying claims, enrolling providers, and beneficiaries, contracting with private plans, improving service quality, and claiming expenditures. State Medicaid programs and CMS share responsibility for ensuring that state and federal dollars are used to deliver health care services consistent with efficiency, economy, and quality to eligible individuals and are not misused for fraud, waste, or abuse. (Page 1 of 33)

Accuracy of State Claiming of Federal Funds CMS will bring a stronger program integrity focus to its oversight of state claiming of federal Medicaid funds through action on several fronts—enhanced reviews and audits of state expenditure claims, an improved regulatory framework, and closer collaboration with state auditors that are independent of state Medicaid agencies. (Page 17 of 33)

*Fiscal and Beneficiary Safeguards in Home and Community Based Services*

Maintaining critical beneficiary protections is an important pillar of Medicaid program integrity, and as such, we are committed to partnering with states to safeguard against incidents of beneficiary abuse, neglect, or exploitation.”(page 31 of 33) [Comprehensive Medicaid Integrity Plan for Fiscal Years 2019-2023 \(cms.gov\)](https://www.cms.gov/medicaid-integrity-plans/2019-2023)

**6. Question: What is the definition of an Intergovernmental Transfer?**

*An intergovernmental Transfer (IGT) is the transferring of funds from one government entity to another. In the case of the CSCT program, it is a transfer from the school district to the OPI and from OPI to DPHHS.*

**7. Question: What is Federal Financial Participation?**

*42 CFR 400.203 states Federal financial participation (FFP) means the Federal Government's share of a State's expenditures under the Medicaid program.*

**8. Question: What are the required documents to be submitted by the school district for state match?**

*OPI requires that the school district submit the Match Certification Form in addition to the match payment.*

**9. Question: Does a school district need to document direct and non-direct CSCT program costs?**

*In order to meet the requirements of a cost sharing model, the OPI recommends a school district should have identified program costs which meet the required match amount.*

**10. Question: Should match activity be recorded as a transfer "Out" and "In"? Per GASB 34 Paragraph 88 Other Financing Sources and Uses "items that should be reported as other financing sources and uses include proceeds of long-term debt, issuance premium or discount, certain payments to escrow agents for bond re-fundings, transfers, and sales of capital assets (unless the sale meets the criteria, as defined in paragraph 56, for reporting as a special item"**

*GASB 34, paragraph 112b. (1), defines transfers as nonreciprocal interfund activity where one fund furnishes resources to another fund with no expectation of repayment. Transferring of funds between the school district and OPI does not meet the definition of a transfer as outlined in GASB.*

**11. Question: Once the State match is processed through the IGT process are the funds considered a reimbursement?**

*OPI has requested from DPHHS written legal substantiation from CMS regarding this question. Furthermore, OPI agrees that the federal portion received for CSCT claims has been historically recorded as a reimbursement although this activity is acts more like a pass-through. In regard to the match, based on conversations with GASB the match portion does not meet the definition of a reimbursement as the process currently stands. There is not actual reimbursement if the school does not have invoiced expenses at the time of claim submission. It is the district responsibility to identify the actual expenses at the time of claim submission.*

**12. Question: When the state match is sent to OPI should this activity be recorded as an expense?  
When received back should this activity be recorded as a revenue?**

*See question 11: Yes, the IGT match funds should be recorded as an expense to the invoice received coupled with the district direct and indirect costs. Specific GASB guidance has not been received and if GASB provides written guidance contrary to this, districts will be notified.*

**13. Question: Is a signed Memorandum of Understanding (MOU) required for the school district to receive the CSCT federal reimbursement?**

Yes

**14. Question: Is the effective date of the MOU October 1, 2021? If not, what is the effective date of the MOU?**

*DPHHS initially set the MOU start date as of October 1, 2021, based on the effective date of the SPA and revised ARM. As of a January 7, 2022, meeting with DPHHS, the OPI and DPHHS legal agreed that January 1, 2022, should be the effective date of the MOU.*

**15. Question: Is the CSCT IGT model cost neutral?**

*No. See question #4.*

**16. Question: What is the difference between a non-direct vs indirect cost?**

*2 CFR 200.56 defines indirect costs as those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.*

*Non-direct costs are those costs that are not directly identified to a direct cost objective. Non-direct costs include but are not limited to rent, utilities, and salaries & benefits.*

**17. Question: What happens if a district can't meet its match requirement?**

*The school will not receive the federal portion of claim.*

**18. Question: What happens if the district submits its match requirement outside of the required timeline presented in the CSCT Monthly IGT Timeline for State Fiscal Year 2022 document?**

*Incomplete or late match payments submitted by the district will delay claim reimbursement. Once the claim is completed, claim reimbursement will be processed in the subsequent claim processing window.*

*“Can the MOU be revised to change the timeline as outlined in the CSCT IGT Overview and the CSCT Monthly IGT Timeline by Month?”*

*DPHHS presented in the December 29th CSCT Working Group meeting that in order to allow time for DPHHS to complete the claims process, the proposed schedule will need to be followed to ensure reimbursements are sent to the district within the same claim processing month.*

**19. Question: What if negotiated reimbursement rate with the provider is less than the Medicaid reimbursement rate?**

*The district would need to have expenses to reflect the reimbursement from CMS. Also, see Q&A 25.*

**20. Question: When will the OPI notify school districts of the match amount due?**

*The OPI will notify districts of the match requirement within two business days of receipt from DPHHS. The current window for the first notification is Tuesday, February 1<sup>st</sup> for the January 1 – January 25 claims. For districts whose board meetings may not align to the state match being due within 10 days of notification, the solution may rest with a special board meeting or an agreement with the provider that claims might not get processed until the following window.*

**21. Question: What happens when a district's board meeting falls outside the window for approval of warrants?**

*Districts can authorize their superintendents through Board policy to have spending power up to a certain dollar amount and this could certainly be the case with respect to ensuring timely payments to OPI to collect the match for CSCT services. The Board does have to approve all expenditures, but they could, and some do provide advanced authority of their superintendent to spend District funds through Board policy or board delegation this is documented by official board motion in the minutes. The warrants would still be provided to the Board each month for approval (albeit in some cases after the fact), likely through a consent agenda.*

*MTSBA Model Policy 1332 provides, in pertinent part, as follows: "Contracts for Goods and Services and Leases: The Superintendent is authorized to sign on behalf of the Board, contracts, leases, and/or contracts for goods and services for amounts under \$\_\_\_\_\_ without prior approval of the Board. The types of goods and services contracted for must be preapproved by the Board."*

*When in doubt, check with your legal counsel.*

**22. Question: What is the purpose of the ARPA supplemental payment that were distributed to districts, in November?**

*The purpose of the Montana Medicaid Home and Community Based Services (HCBS) Supplemental Payment Program is to support and strengthen Home and Community Based Services by providing additional resources to providers that deliver physical and behavioral health services in the home or community. As a home and community based behavioral health service, CSCT services qualify for enhanced payment for services delivered during the eligible periods. These HCBS supplemental payments are intended to support service delivery through investment in workforce recruitment and retention of direct care workers. As the direct care workforce of CSCT services are employees of the Mental Health Center subcontractor, the easiest way to ensure appropriate usage of the supplemental funds, is by passing the funds through to your CSCT subcontractor. Mental Health Centers are receiving supplemental payments for other home and community-based services and have spending plans and reporting requirements for usage of the funds.*

**23. Question: Where did the bridge funding go?**

*The bridge funding was used as the state match from July 1 – December 28, 2021, before the funds expired. As it was used for the local district state match, when the claims were processed, the districts received that portion of the bridge funding as part of their claim payment. The bridge funding should have stayed at the local school district.*

**24. Question: When the CSCT claims are processed and funds are sent to the districts for their expenses, into fund 15, how can districts use those funds?**

*As identified in the IGT-MOU, those funds cannot be used to meet your state match creating a cycle of the same funds as your match. However, the board of Trustees can determine other uses of those funds.*

**25. Question: What happens if a district does not have an executed IGT-MOU by February 1?**

*The local board of trustees is the approving entity for the MOU. If a local board chooses not to participate, which is their right, any claims incurred between December 28 forward from CSCT services by a third-party provider, are the responsibility of the district to pay in full, just like now. The only difference is there would not be a federal match available to aid the district in paying for CSCT Mental health services.*

Further questions should be directed to the [OPI Chief Financial Officer, Jay Phillips](#).